

# **STATE OF MICHIGAN**



**2000-01**

## **FI\$CAL DIGE\$T**

**PREPARED BY  
THE STAFF OF THE  
SENATE FISCAL AGENCY**

**February 2001**





# **STATE OF MICHIGAN SENATE FISCAL AGENCY**



February 2001

TO MEMBERS OF THE MICHIGAN SENATE:

I am pleased to transmit to your office a copy of a Senate Fiscal Agency publication entitled "2000-01 Fiscal Digest". The Senate Fiscal Agency developed this booklet in an effort to provide Senators and their staffs with a single comprehensive document regarding basic information on the State budget, and this is the eleventh year it has been published.

The "2000-01 Fiscal Digest" contains information on current State appropriations, State revenues, and selected State economic indicators. Included in the booklet is a glossary of commonly used budget terms and a listing, by assignment area, of all Senate Fiscal Agency staff.

I hope this booklet will prove to be a valuable reference for you, and I would appreciate any comments that you may have concerning this publication.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary S. Olson", is written over the typed name.

Gary S. Olson  
Director



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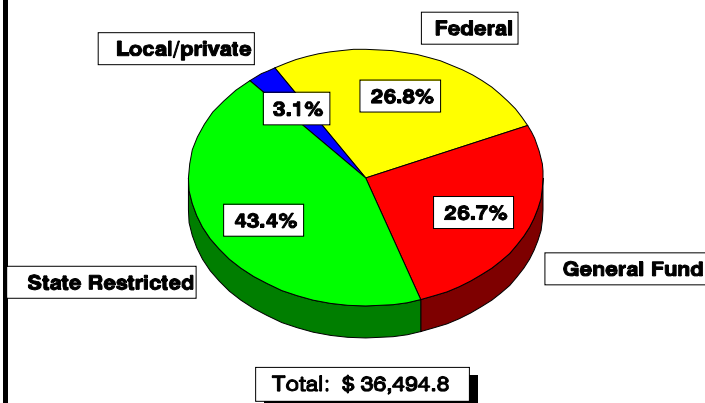
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**TOTAL STATE APPROPRIATIONS  
BY FUND SOURCE  
FY 2000-01  
(millions of dollars)**

	Dollars	Percent of Total
Federal Funds	\$9,776.8	26.8%
State Restricted Funds	15,830.0	43.4
Local/Private Funds	1,147.7	3.1
General Fund/General Purpose	<u>9,740.3</u>	<u>26.7</u>
Adjusted Gross Appropriations	\$36,494.8	100.0%

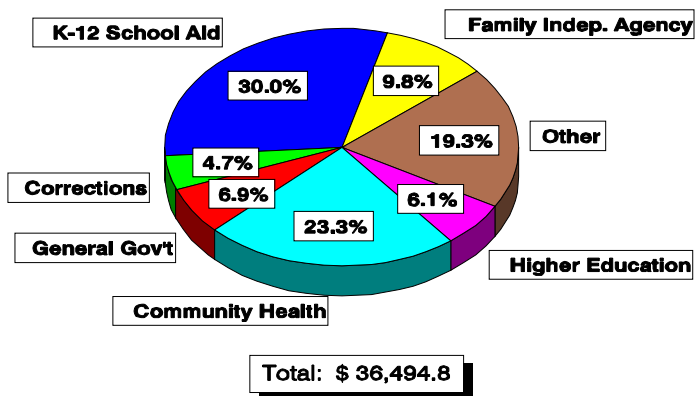
**Appropriations by Source of Funds  
FY 2000-01 Year-To-Date Appropriations**



**ADJUSTED GROSS APPROPRIATIONS  
FY 2000-01  
(millions of dollars)**

	Dollars	Percent of Total
Family Independence Agency	\$3,591.1	9.8%
Community Health	8,492.3	23.3
Corrections	1,697.1	4.7
K-12 School Aid	10,932.3	30.0
Higher Education	2,230.0	6.1
General Government	2,521.0	6.9
All Others	<u>7,030.9</u>	<u>19.3</u>
Total	\$36,494.8	100.0%

**Adjusted Gross  
FY 2000-01 Year-To-Date Appropriations**





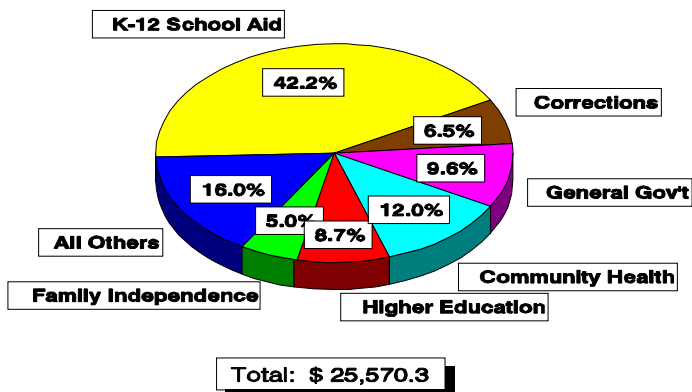
**ADJUSTED GROSS APPROPRIATIONS  
FY 1999-2000 VERSUS FY 2000-01  
(actual dollars)**

	<b>FY 1999-2000 Yr. To Date</b>	<b>FY 2000-01 Yr. To Date</b>	<b>Percent Change</b>
Agriculture	\$ 107,585,800	\$ 88,235,700	(18.0)
Attorney General	47,227,100	51,919,800	9.9
Capital Outlay	574,694,200	464,994,800	(19.1)
Career Development	547,387,700	522,406,400	0.0
Civil Rights	15,623,300	15,272,500	(2.2)
Civil Service	27,485,500	27,105,600	(1.4)
Community Colleges	297,228,019	325,011,719	9.3
Community Health	8,169,892,500	8,492,290,500	3.9
Consumer & Industry Services	496,563,800	529,647,400	6.7
Corrections	1,558,085,200	1,697,147,900	8.9
Education	1,004,286,400	928,975,300	(7.5)
Environmental Quality	385,167,900	391,999,100	1.8
Executive	5,425,100	5,679,600	4.7
Family Independence Agency	3,854,612,900	3,591,057,500	(6.8)
Higher Education	1,785,959,308	1,905,000,608	6.7
Judiciary	229,034,600	233,305,500	1.9
Legislative Auditor General	12,816,300	13,450,100	4.9
Legislature	104,553,500	106,420,700	1.8
Library of Michigan	38,977,400	39,916,700	2.4
Management & Budget	124,072,700	91,416,500	(26.3)
Military Affairs	98,099,000	101,172,700	3.1
Natural Resources	272,310,600	251,763,400	(7.5)
Natural Resources Bond	0	0	0.0
Natural Resources Trust	0	0	0.0
School Aid	10,077,608,600	10,932,335,000	8.5
State	125,379,700	131,481,000	4.9
State Police	360,250,300	381,619,600	5.9
Strategic Fund Agency	225,817,100	168,982,800	0.0
Transportation	2,861,447,200	2,967,845,100	3.7
Treasury (Debt Service)	94,117,500	91,570,500	(2.7)
Treasury (Operations)	312,187,500	346,134,000	10.9
Treasury (Revenue Sharing)	1,470,522,000	1,600,600,000	8.8
<b>Total Appropriations</b>	<b>\$35,284,418,727</b>	<b>\$36,494,758,127</b>	<b>3.4</b>

**STATE SPENDING FROM STATE  
RESOURCES APPROPRIATIONS  
FY 2000-01  
(millions of dollars)**

	Dollars	Percent of Total
Family Independence Agency	\$1,267.6	5.0%
Community Health	3,070.2	12.0
Corrections	1,670.1	6.5
K-12 School Aid	10,787.3	42.2
Higher Education	2,226.1	8.7
General Government	2,460.7	9.6
All Others	<u>4,088.3</u>	<u>16.0</u>
Total	\$25,570.3	100.0%

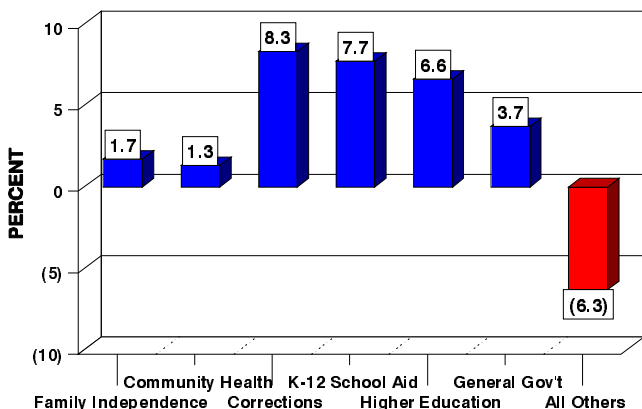
**State Spending from State Resources  
FY 2000-01 Year-To-Date Appropriations**



**STATE SPENDING FROM STATE  
RESOURCES APPROPRIATIONS  
FY 1999-2000 VERSUS FY 2000-01  
(millions of dollars)**

	<b>FY 1999-00 Yr. to Date</b>	<b>FY 2000-01 Yr. to Date</b>	<b>Dollar Change</b>
Family Independence	\$1,246.3	\$1,267.6	\$ 21.3
Community Health	3,030.8	3,070.2	39.4
Corrections	1,531.3	1,670.1	138.8
K-12 School Aid	9,957.6	10,787.3	829.7
Higher Education	2,079.3	2,226.1	146.8
General Government	2,182.5	2,267.4	84.8
All Others	<u>4,551.2</u>	<u>4,281.6</u>	<u>(269.6)</u>
<b>Total</b>	<b>\$24,579.0</b>	<b>\$25,570.3</b>	<b>\$991.3</b>

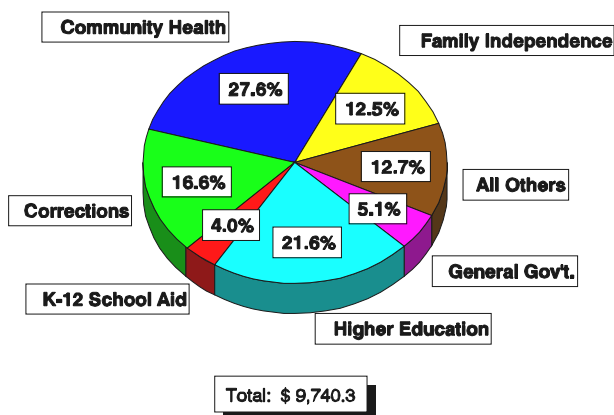
**Growth in State Spending from State Resources  
FY 1999-2000 over FY 2000-01 Appropriations**



**GENERAL FUND/GENERAL PURPOSE  
APPROPRIATIONS  
FY 2000-01  
(millions of dollars)**

	Dollars	Percent of Total
Family Independence Agency	\$1,217.0	12.5%
Community Health	2,687.0	27.6
Corrections	1,619.6	16.6
K-12 School Aid	385.6	4.0
Higher Education	2,100.9	21.6
General Government	492.3	5.1
All Others	<u>1,237.9</u>	<u>12.7</u>
Total	\$9,740.3	100.0%

**General Fund General Purpose  
FY 2000-01 Year-To-Date Appropriations**



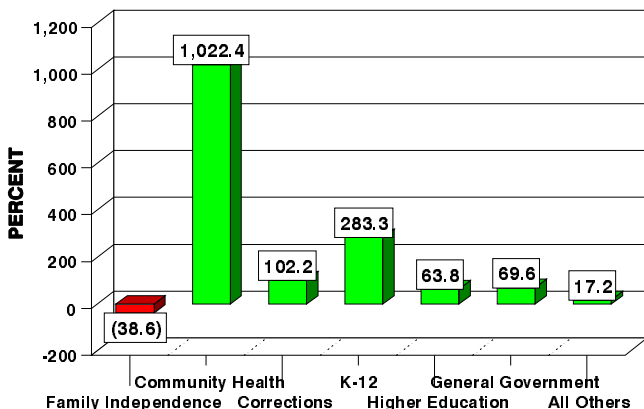
**GENERAL FUND/GENERAL PURPOSE  
APPROPRIATIONS  
FY 1999-2000 VERSUS FY 2000-01  
(actual dollars)**

	<b>FY 1999-2000 Yr. to Date</b>	<b>FY 2000-01 Yr. to Date</b>	<b>Percent Change</b>
Agriculture	\$ 62,633,900	\$ 47,029,800	(24.9)
Attorney General	32,078,800	35,271,000	10.0
Capital Outlay	399,235,300	312,814,600	(21.6)
Career Development	41,639,200	25,458,600	0.0
Civil Rights	14,739,300	14,338,500	(2.7)
Civil Service	11,997,200	11,218,900	(6.5)
Community Colleges	297,228,019	315,011,719	6.0
Community Health	2,639,994,000	2,686,991,200	1.8
Consumer & Industry Services	80,857,500	83,762,300	3.6
Corrections	1,482,956,300	1,619,600,500	9.2
Education	39,787,000	34,678,700	(12.8)
Environmental Quality	96,296,400	99,906,200	3.7
Executive	5,425,100	5,679,600	4.7
Family Independence Agency	1,169,287,900	1,216,997,500	4.1
Higher Education	1,679,309,308	1,785,850,608	6.3
Judiciary	165,882,900	170,316,800	2.7
Legislative Auditor General	12,522,500	13,183,500	5.3
Legislature	103,111,700	104,978,900	1.8
Library of Michigan	34,258,100	35,197,400	2.7
Management & Budget	80,448,000	46,960,800	(41.6)
Military Affairs	40,600,500	41,856,900	3.1
Natural Resources	77,745,000	55,958,600	(28.0)
School Aid	420,613,500	385,613,200	(8.3)
State	60,784,200	65,130,200	7.1
State Police	278,938,900	300,563,400	7.8
Strategic Fund Agency	114,907,200	65,602,900	(42.9)
Transportation	0	0	0.0
Treasury (Debt Service)	93,417,500	90,870,500	(2.7)
Treasury (Operations)	63,298,400	69,450,200	9.7
Treasury (Revenue Sharing)	7,700,000	0	(100.0)
<b>Total Appropriations</b>	<b>\$9,607,693,627</b>	<b>\$9,740,293,327</b>	<b>1.4</b>

# **ADJUSTED GROSS APPROPRIATIONS TEN-YEAR HISTORY (millions of dollars)**

	<b>FY 1990-91 Yr. to Date</b>	<b>FY 2000-01 Yr. to Date</b>	<b>Dollar Change</b>
Family Independence	\$5,847.9	\$3,591.1	\$(2,256.9)
Community Health	756.6	8,492.3	7,735.7
Corrections	839.5	1,697.1	857.6
K-12 School Aid	2,852.3	10,932.3	8,080.0
Higher Education	1,361.3	2,230.0	868.7
General Government	1,486.2	2,521.0	1,034.8
All Others	<u>6,001.4</u>	<u>7,030.9</u>	<u>1,029.5</u>
<b>Total</b>	<b>\$19,145.4</b>	<b>\$36,494.8</b>	<b>\$17,349.4</b>

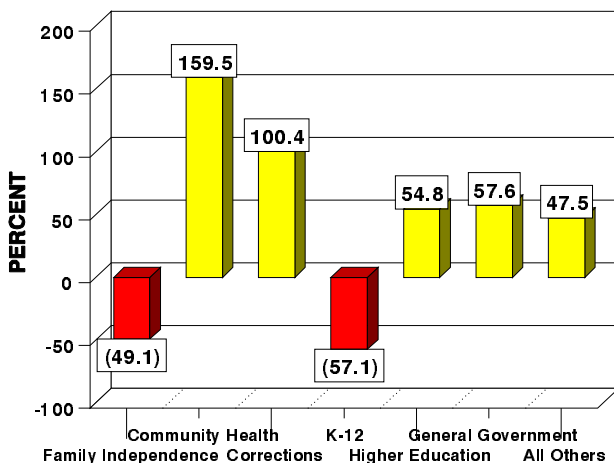
## **Growth in Adjusted Gross Appropriations FY 2000-01 over FY 1990-91**



**GENERAL FUND/GENERAL PURPOSE  
APPROPRIATIONS  
TEN-YEAR HISTORY  
(millions of dollars)**

	<b>FY 1990-91 Yr. to Date</b>	<b>FY 2000-01 Yr. to Date</b>	<b>Dollar Change</b>
Family Independence	\$2,390.1	\$1,217.0	\$(1,173.1)
Community Health	1,035.4	2,687.0	1,651.6
Corrections	808.1	1,619.6	811.5
K-12 School Aid	898.4	385.6	(512.8)
Higher Education	1,357.5	2,100.9	743.4
General Government	312.3	492.3	180.0
All Others	<u>839.5</u>	<u>1,237.9</u>	<u>398.5</u>
<b>Total</b>	<b>\$7,641.3</b>	<b>\$9,740.3</b>	<b>\$2,099.0</b>

**Growth in General Fund/General Purpose  
FY 2000-01 over FY 1990-91 Appropriations**



**AVERAGE NUMBER OF CLASSIFIED EMPLOYEES (HEADCOUNT) BY DEPARTMENT  
FY 1992-93 THROUGH FY 1999-2000**

	<b>FY 1992-93</b>	<b>FY 1993-94</b>	<b>FY 1994-95</b>	<b>FY 1995-96</b>	<b>FY 1996-97</b>	<b>FY 1997-98</b>	<b>FY 1998-99</b>	<b>FY 1999-00</b>
Agriculture	530	535	549	599	606	631	632	657
Attorney General	517	519	522	539	552	547	549	559
Biologic Products Institute	---	---	---	122	107	77	---	---
CIS-Unemployment Agency	2,654	2,489	2,341	2,231	2,026	1,495	1,298	1,192
Civil Rights	175	174	183	179	166	159	163	160
Civil Service	301	310	307	294	224	205	207	206
Community Health	7,834	7,784	7,696	7,644	6,437	5,758	5,810	5,914
Consumer and Industry Services	2,361	2,376	1,994	2,039	2,635	2,554	2,611	2,651
Corrections	14,128	14,592	15,394	16,100	16,270	16,714	17,063	17,652
Education	1,913	1,060	721	558	512	436	442	403
Environmental Quality	---	---	---	1,419	1,472	1,479	1,545	1,605
Executive Office	59	62	59	60	61	65	63	65
Family Independence Agency	13,410	13,998	14,429	14,107	12,981	12,443	12,836	13,254
Labor	786	714	721	680	---	---	---	---
Legislative Auditor General	144	162	167	162	164	163	169	174



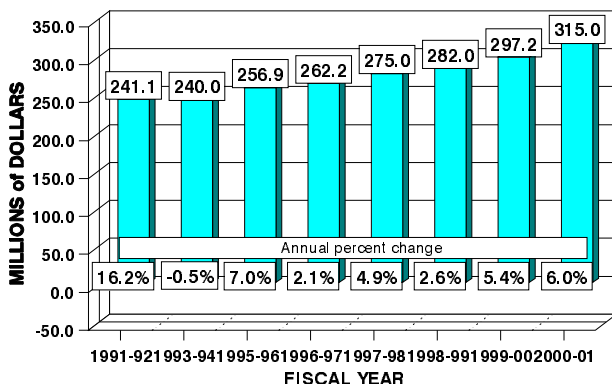
**AVERAGE NUMBER OF CLASSIFIED EMPLOYEES (HEADCOUNT) BY DEPARTMENT  
FY 1992-93 THROUGH FY 1999-2000 (CONTINUED)**

	<b>FY 1992-93</b>	<b>FY 1993-94</b>	<b>FY 1994-95</b>	<b>FY 1995-96</b>	<b>FY 1996-97</b>	<b>FY 1997-98</b>	<b>FY 1998-99</b>	<b>FY 1999-00</b>
Lottery	217	212	210	193	181	179	---	---
Mgt. & Budget	1,232	1,246	1,337	1,487	1,561	1,495	1,719	1,936
Michigan Jobs Commission	112	627	864	953	890	1,101	1,149	1,055
Military and Veterans Affairs	883	948	992	979	948	900	949	987
Natural Resources	3,596	3,718	3,900	2,623	2,480	2,445	2,510	2,506
State	2,115	2,136	2,116	2,190	2,211	2,174	2,231	2,257
State Police	2,889	2,889	2,998	3,121	3,034	3,014	3,159	3,190
Transportation	3,569	3,524	3,551	3,515	3,312	2,960	3,196	3,244
Transportation Bridge Authority	130	135	136	140	143	150	---	---
Treasury	1,432	1,452	1,485	1,595	1,529	1,531	1,765	1,826
<b>TOTAL:</b>	<b>60,987</b>	<b>61,662</b>	<b>62,672</b>	<b>63,529</b>	<b>60,502</b>	<b>58,675</b>	<b>60,066</b>	<b>61,493</b>
<b>Percent</b>	<b>(0.8)</b>	<b>1.1</b>	<b>1.6</b>	<b>1.4</b>	<b>(4.8)</b>	<b>(0.3)</b>	<b>2.4</b>	<b>2.4</b>

*Source:* Department of Civil Service Annual Work Force Report.

## COMMUNITY COLLEGES

### Community Colleges General Fund Appropriations FY 1991-92 to FY 2000-01



### FY 2000-01 State General Fund Allocations (in thousands)

State Aid Operations	\$310,886,485
At-Risk Student Success Program	3,692,103
Renaissance Zone Tax Reimbursement Funding	<u>433,131</u>
<b>TOTAL:</b>	<b>\$315,011,719</b>

<b><u>Sources of Funding</u></b>	<b><u>FY 1988-89</u></b>	<b><u>FY 1998-99*</u></b>
State Aid	38.7%	32.9%
Local Tax Revenue	26.0	35.9
Tuition & Fees	30.0	27.7
Other	<u>5.3</u>	<u>3.8</u>
<b>TOTAL:</b>	<b>100.0%</b>	<b>100.0%</b>

\*Most recent data.

## COMMUNITY COLLEGE FUNDING

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### Operations Appropriations

From FY 1984-85 to FY 2000-01, Michigan's 28 Community Colleges have at least in part been funded using the Gast-Mathieu Fairness in Funding Formula which factors student contact hours, statewide average cost of delivery of instructional services, physical plant operations, energy needs, local tax effort and a variety of other factors. In FY 2000-01, community colleges received a 6.0% overall increase in General Fund appropriations over FY 1999-2000. Of that, each college received a minimum increase of 3.5% in their base funding amount, with the balance of the total funding distributed according to the Gast-Mathieu Fairness in Funding Formula.

### Categorical Grant

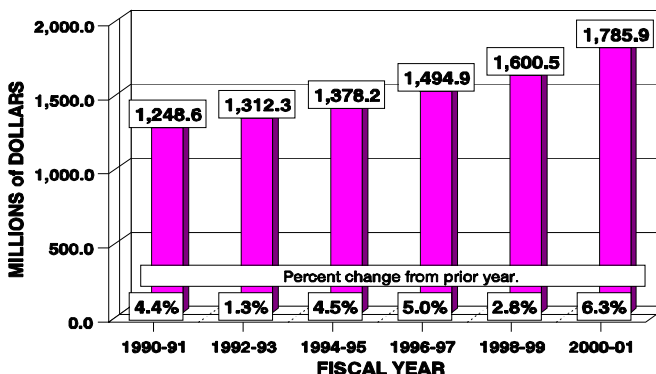
The At-Risk Student Success program is designed to serve students who test at a level that indicates that they will not be successful in college level courses. The funds are allocated based on the relative effort at each institution to serve this population. The FY 2000-01 appropriation for the program was increased by 3.0% to \$3,692,103.

### Capital Outlay

The Capital Outlay needs of Community Colleges are accommodated in a separate appropriations act. There were no new planning projects authorized for community colleges in FY 2000-01.

## HIGHER EDUCATION

### Higher Education State General Fund Appropriations FY 1990-91 to FY 2000-01



### FY 2000-01 State General Fund Appropriations (in thousands)

•University Operations	\$1,588,685.9
•King-Chavez-Parks Programs	5,690.7
•State and Regional Programs	68,619.7
•Grants & Financial Aid	122,854.3
<b>TOTAL:</b>	<b>\$1,785,850.6</b>

### Sources of Funding for the 15 Public Universities (in thousands)

	<u>FY 1990-91</u>	<u>% of Total</u>	<u>FY 2000-01*</u>	<u>% of Total</u>
State General Fund	\$ 1,152,826.9	29%	\$1,659,465.6	23%
Tuition & Fees**	774,915.8	19%	1,453,287.8	20%
Other Instructional Revenue**	138,293.5	3%	399,040.0	6%
Non-Instructional Revenue**	1,873,281.7	46%	3,413,617.8	47%
Year-End Balance**	89,331.0	2%	298,268.5	4%
<b>TOTAL:</b>	<b>\$4,028,648.9</b>	<b>100%</b>	<b>\$7,223,679.8</b>	<b>100%</b>

\* Estimates.

\*\* These funds are not appropriated.

## HIGHER EDUCATION

### Total Student Enrollment

	<u>1990-91</u>	<u>1999-2000</u>	<u>% Chg.</u>
• Fiscal Year Equated	213,007	227,993	7.0%
• Headcount	260,595	268,441	3.0%

### State Appropriation Per Student

	<u>1990-91</u>	<u>2000-01</u>	<u>% Chg.</u>
•Average of 15 Universities	\$5,412	\$7,279	34.5%

### Annual Resident Lower Division Tuition & Fees

	<u>1990-91</u>	<u>2000-01</u>	<u>% Chg.</u>
•Average of 15 Universities	\$2,427	\$4,329	78.3%

### Capital Outlay Appropriations

Capital Outlay appropriations for the 15 public universities are included in a separate appropriation bill. For FY 2000-01, the following projects received authorizations in Public Act 506 of 2000:

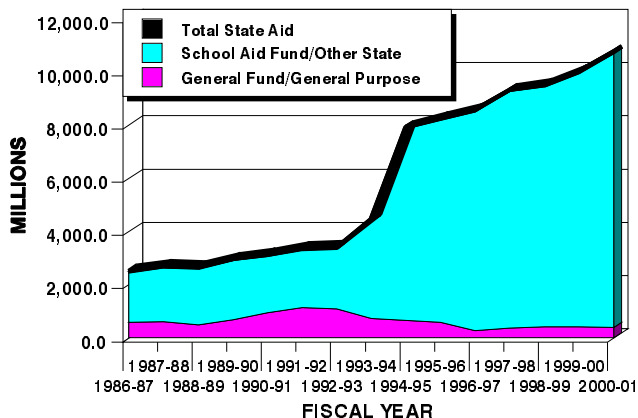
- Ferris State University: construction authorization for the Health Professions Building;
- Michigan State University: cost increase for the Animal Health Diagnostic Laboratory; and
- Oakland University: construction authorization for the School of Education Building.

The FY 2000-01 debt service appropriation for previously authorized university projects is \$118.4 million.

## SCHOOL AID

### School Aid Spending History by Fund Source

FY 1986-87 through 2000-01



### FY 2000-01 School Aid Fund Sources (millions)

• General Fund	\$ 385.6
• School Aid Fund	10,369.7
• Budget Stabilization Fund	<u>32.0</u>
Total State Spending	10,787.3
• Plus Federal Funds	<u>145.0</u>
Total School Aid Act	\$10,932.3

## SCHOOL AID

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### Estimated State and Local Revenues K-12 Education (millions)

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**FY 2000-01**

• State Payments from State Sources	\$ 10,322.7
• Local and Intermediate District Operating Property Taxes *	<u>1,990.0</u>
Total State and Local	\$12,312.7

\* Senate Fiscal Agency estimate.

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### Foundation Allowance Statistics (amounts per pupil)

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	<b><u>Lowest</u></b>	<b><u>Basic</u></b>	<b><u>Average</u></b> <sup>a)</sup>
FY 1994-95	\$4,200	\$5,000	\$5,492
FY 1995-96	4,506	5,153	5,685
FY 1996-97	4,816	5,308	5,876
FY 1997-98	5,124	5,462	6,059
FY 1998-99	5,170	5,462	6,068
FY 1999-2000	5,638	5,696	6,320
FY 2000-01	6,000	6,000	6,614

<sup>a)</sup>Weighted by pupils.

## DEPARTMENT OF CORRECTIONS

### YEAR-END POPULATIONS OF PRISONS AND CAMPS 1985 THROUGH 2000

Calendar Year-End	Prison & Camp Population	Percent Change
1985	16,003	21.6
1986	18,836	17.7
1987	21,930	16.4
1988	25,377	15.7
1989	29,321	15.5
1990	31,240	6.5
1991	33,018	5.7
1992	35,131	6.4
1993	36,474	3.8
1994	38,145	4.6
1995	38,854	1.9
1996	40,182	3.4
1997	42,426	5.6
1998	43,821	3.3
1999*	44,500	1.5
2000*	45,702	2.7

### ANNUAL PRISON INTAKE 1985 THROUGH 2000

Calendar Year-End	Admissions to Prison	Percent Change
1985	6,287	8.2
1986	6,543	4.1
1987	7,320	11.9
1988	8,940	22.1
1989	10,870	21.6
1990	10,596	(2.5)
1991	10,863	2.5
1992	10,915	0.5
1993	9,186	(15.8)
1994	8,845	(3.7)
1995	8,657	(2.1)
1996	9,161	5.8
1997	9,572	4.5
1998	9,422	(1.6)
1999	8,811	(6.5)
2000*	8,874	0.7

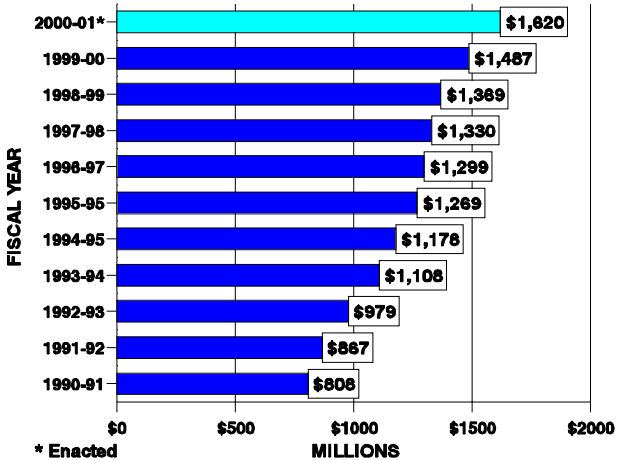
\*Estimate

Source: Michigan Department of Corrections Research  
Division

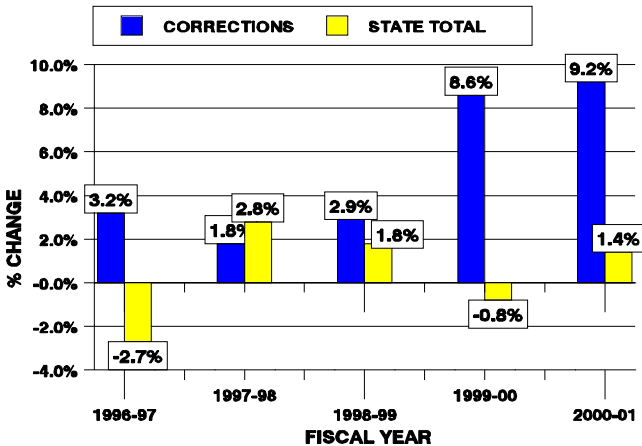


## DEPARTMENT OF CORRECTIONS

### DEPARTMENT OF CORRECTIONS General Fund Appropriations FY 1990 through FY 2001



### DEPARTMENT OF CORRECTIONS Percentage Change In General Fund Appropriations State Total vs. Department



**FAMILY INDEPENDENCE AGENCY  
AID TO FAMILIES WITH DEPENDENT CHILDREN  
(AFDC)  
CASELOAD HISTORY  
FY 1984-85 THROUGH FY 2000-01**

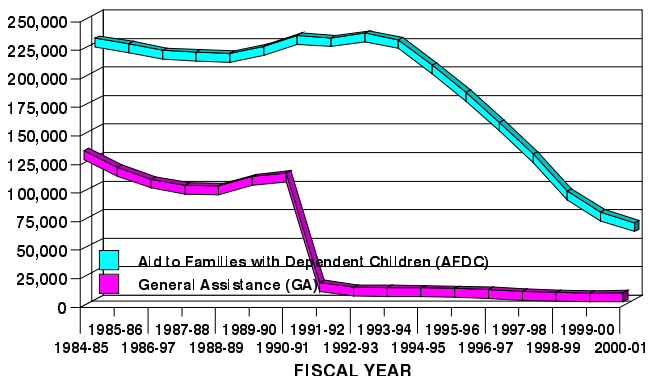
Fiscal Year	AFDC - Unemployed Parent & Regular Program Components	AFDC - Regular Program Component	AFDC - Unemployed Parent Program Component
1984-85	224,991	190,030	34,961
1985-86	220,050	188,793	31,257
1986-87	214,215	186,211	28,004
1987-88	212,949	186,673	26,276
1988-89	211,712	187,504	24,208
1989-90	217,949	193,516	24,433
1990-91	227,415	200,893	26,522
1991-92	225,359	199,140	26,219
1992-93	229,349	197,796	31,553
1993-94	223,658	195,176	28,482
1994-95	201,336	178,289	23,047
1995-96	177,649	157,988	19,661
1996-97	151,358	136,755	14,603
1997-98	123,392	117,580	5,812
1998-99	90,890	87,639	3,251
1999-2000	72,773	70,557	2,216
2000-01 <sup>a)</sup>	63,400	61,500	1,900

<sup>a)</sup> Appropriated.

Source: Family Independence Agency

**Caseload History**

FY 1984-85 to FY 2000-01



**FAMILY INDEPENDENCE AGENCY  
GENERAL ASSISTANCE (GA)  
CASELOAD HISTORY  
FY 1984-85 THROUGH FY 2000-01**

<b>Fiscal Year</b>	<b>GA - Regular &amp; Family Program Components</b>	<b>GA - Regular Program Component</b>	<b>GA - Family Program Component</b>
1984-85	131,668	124,684	6,984
1985-86	117,166	109,704	7,462
1986-87	106,706	98,191	8,515
1987-88	101,487	93,310	8,177
1988-89	100,991	92,714	8,277
1989-90	109,100	100,722 <sup>A)</sup>	8,378
1990-91	112,221	104,002 <sup>B)</sup>	8,219
1991-92	16,120	8,196	7,924
1992-93	12,161	8,871	3,290
1993-94	11,744	9,263	2,481
1994-95	11,547	9,291	2,256
1995-96	10,947	8,864	2,083
1996-97	10,207	8,519	1,688
1997-98	8,432	8,432	--- <sup>C)</sup>
1998-99	7,639	7,639	---
1999-00	6,898	6,898	---
2000-01 <sup>D)</sup>	7,400	7,400	---

<sup>A)</sup> Includes participants in the Job Start Program.

<sup>B)</sup> GA-Regular Program terminated at end of FY 1990-91, subsequently replaced by State Disability Assistance Program.

<sup>C)</sup> GA - Family caseload shifted into the AFDC - Unemployed category.

<sup>D)</sup> Appropriated caseload.

**DEPARTMENT OF COMMUNITY HEALTH  
MEDICAID 10-YEAR GROWTH**

<b>Line-Item</b>	<b>FY 1990-91</b>	<b>FY 2000-01<sup>A)</sup></b>	<b>% Change</b>
Hospital Services & Therapy	974,200,000	713,289,700	(26.8)
Hospital DSH Payments	N/A	45,000,000	N/A
Physician Services	245,700,000	152,533,000	(37.9)
Medicare Premiums	35,100,000	129,574,000	269.2
Pharmaceutical Services	236,500,000	387,680,300	63.9
Home Health Services	14,100,000	28,184,000	99.9
Transportation	10,800,000	6,571,100	(39.2)
Auxiliary Medical Services	54,600,000	78,217,700	43.3
Long Term Care Services <sup>B)</sup>	576,200,000	1,212,792,000	110.5
Health Plan Services <sup>C)</sup>	171,000,000	1,333,561,300	679.9
Medicaid Special Financing	438,400,000	891,280,400	103.3
Gross Approp.	2,756,600,000	4,978,683,500	80.6
Total Federal	1,483,400,000	2,834,019,700	91.0
Local Funds- County Payback	7,300,000	709,782,900	N/A
State Restricted	400,900,000	224,693,300	N/A
State GF/GP	865,000,000	1,210,187,600	39.9

A) Appropriations.

B) Includes former Nursing Home & County Medical Care Facility.

C) Formerly called Health Maintenance Organizations.

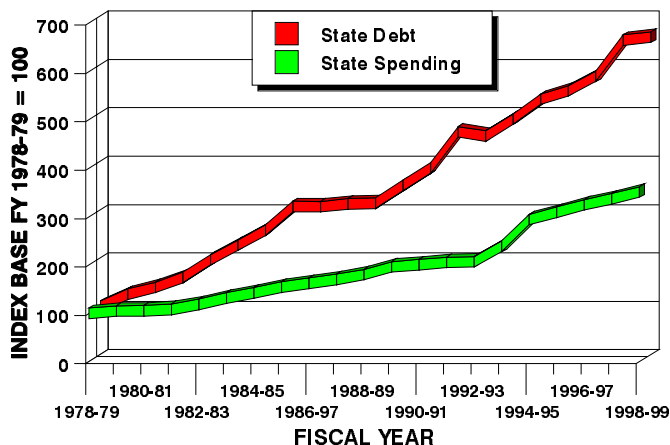
**STATE DEBT OUTSTANDING<sup>1)</sup>**  
**FY 1988-89 VERSUS FY 1998-99**  
**(millions of dollars)**

Type of Debt	FY 1988-89	FY 1998-99	Dollar Change
Total General Obligation	\$106.4	\$839.4	\$733.0
Non-General Obligation -			
Dept. of			
Transportation	381.4	827.9	446.5
Hospital Authority	1,631.1	3,569.3	1,938.2
Housing Authority	1,974.0	2,026.5	52.5
Building Authority	993.8	1,945.1	951.3
Strategic Fund	1,101.1	2,011.7	910.6
All Other	<u>797.1</u>	<u>3,432.2</u>	<u>2,635.1</u>
Total State Debt	\$6,984.9	\$14,652.1	\$7,667.2

<sup>1)</sup> Outstanding on September 30 of each fiscal year.

Source: Michigan Department of Treasury

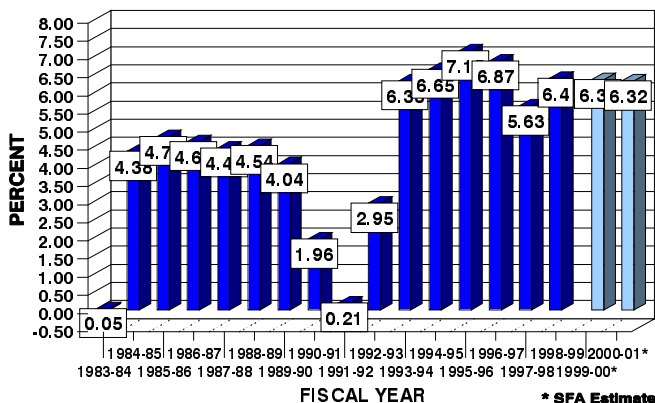
**Growth in State Debt Outstanding**  
**vs. Growth in State Spending**



**BUDGET STABILIZATION FUND**  
**FY 1983-84 TO 2000-01**  
(millions of dollars)

Fiscal Year	Fund Balance (millions)	Balance as a % of GF/GP & SAF Revenues
1983-84	\$ 3.4	0.05
1984-85	340.9	4.38
1985-86	385.0	4.79
1986-87	384.4	4.65
1987-88	393.1	4.48
1988-89	419.2	4.54
1989-90	385.1	4.04
1990-91	182.2	1.96
1991-92	20.1	0.21
1992-93	303.4	2.95
1993-94	775.5	6.33
1994-95	1,003.0	6.65
1995-96	1,153.6	7.15
1996-97	1,152.4	6.87
1997-98	1,000.5	5.63
1998-99	1,222.5	6.40
1999-2000 Est.	1,262.0	6.36
2000-2001 Est.	1,263.7	6.32

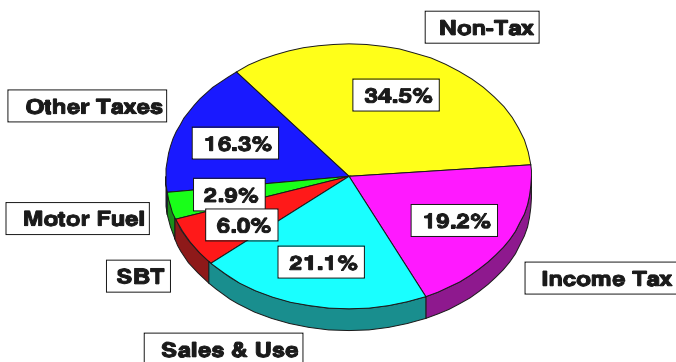
**Budget Stabilization Fund Year-End Balance**  
As a Percent of GF/GP & SAF Baseline Revenues



**TOTAL STATE REVENUE SUMMARY**  
**FY 2000-01 ESTIMATE**  
(millions of dollars)

Type of Revenue	SFA Estimate
Income Tax	\$7,163.4
Sales & Use Tax	7,886.0
Single Business Tax	2,247.4
Motor Fuel Taxes	1,097.1
All Other Taxes	<u>6,072.6</u>
Total Taxes	\$24,466.5
Non-Tax Revenue	12,900.0
Total Revenue	\$37,366.5

**Total State Revenues by Source**  
**FY 2000-01 Estimate**



# **COMBINED GENERAL FUND/GENERAL PURPOSE AND SCHOOL AID FUND REVENUE\***

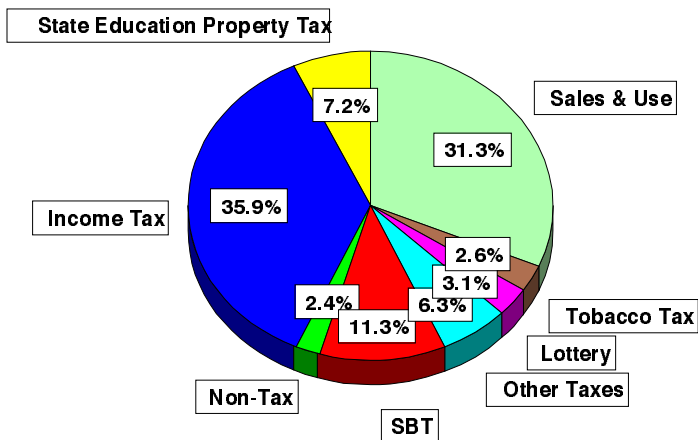
**FY 2000-01**

**(millions of dollars)**

<b>Type of Revenue</b>	<b>Consensus Estimate - Jan. 2001</b>
Income Tax	\$7,162.2
Sales & Use Tax	6,237.5
Single Business Tax	2,247.4
Tobacco Tax	524.9
State Education Property Tax	1,438.4
Other Taxes	1,249.3
Lottery	609.0
Non-Taxes	483.3
<b>TOTAL:</b>	<b>\$19,952.0</b>

\* Does not include: beginning balances, estimated at \$165 million for the GF/GP and \$840 million for the SAF; GF/GP grant to the SAF of \$386 million; and a BSF transfer to the SAF of \$32.0 million.

## **Combined GF/GP and School Aid Fund Revenues by Source FY 2000-01**

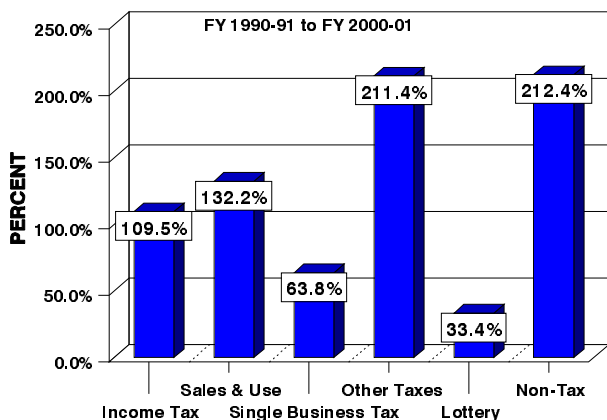




**GROWTH IN COMBINED GF/GP  
AND SCHOOL AID FUND REVENUES  
FY 1990-91 TO FY 2000-01  
(millions of dollars)**

Type of Revenue	FY 1990-91 Actual	FY 2000-01 Year-End Preliminary	Dollar Change
Income Tax	\$3,419.4	\$7,162.2	\$3,742.8
Sales & Use Tax	2,686.3	6,237.5	3,551.2
Single Business Tax	1,371.9	2,247.4	875.5
Other Taxes	1,031.7	3,212.6	2,180.9
Lottery	456.6	609.0	152.4
Non-Taxes	<u>154.7</u>	<u>483.3</u>	<u>328.6</u>
<b>TOTAL:</b>	<b>\$9,120.6</b>	<b>\$19,952.0</b>	<b>\$10,831.4</b>

**Percentage Growth in Combined GF/GP  
and School Aid Fund Revenues by Source**

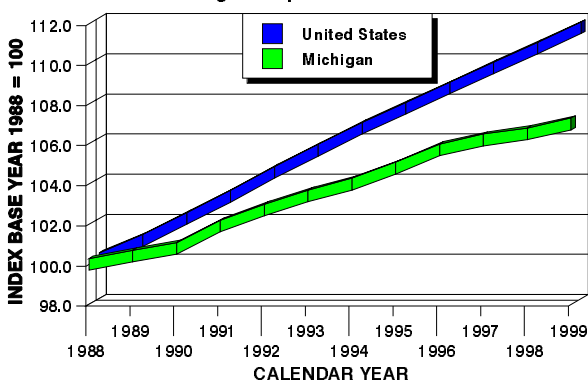


# **MICHIGAN AND UNITED STATES POPULATION 1988 TO 1999** (thousands of persons)

Calendar Year	Michigan	United States	Michigan as Percent of United States
1988	9,218.0	244,499.0	3.77
1989	9,253.3	246,819.0	3.75
1990	9,295.3	249,464.4	3.73
1991	9,395.0	252,153.1	3.73
1992	9,470.3	255,029.7	3.71
1993	9,529.2	257,782.6	3.70
1994	9,584.5	260,327.0	3.68
1995	9,659.9	262,803.3	3.68
1996	9,739.2	265,228.6	3.67
1997	9,785.5	267,783.6	3.65
1998	9,820.2	270,248.0	3.63
1999	9,863.8	272,690.8	3.62

*Source:* Michigan Department of Management and Budget

## **Growth in United States vs. Michigan Population: 1988-1999**

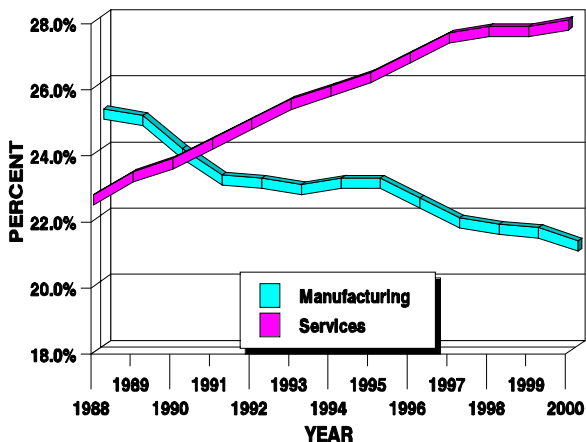


**MICHIGAN NON-FARM EMPLOYMENT  
BY BUSINESS SECTOR  
1988 TO 2000  
(thousands, calendar year)**

Year	Total	Mfg.	Svcs.	Govt.	Trade
1988	3,819	955	863	624	894
1989	3,922	971	912	623	923
1990	3,970	944	942	634	949
1991	3,891	897	946	636	931
1992	3,927	901	980	639	926
1993	4,006	908	1,022	639	943
1994	4,147	952	1,075	639	971
1995	4,274	980	1,125	641	1,004
1996	4,361	972	1,172	644	1,025
1997	4,448	966	1,222	647	1,046
1998	4,510	970	1,249	656	1,055
1999	4,562	978	1,262	667	1,073
2000 est.	4,604	966	1,283	680	1,087

*Source:* United States Bureau of Labor Statistics

**Michigan Employment by Sector  
1988 through 2000**

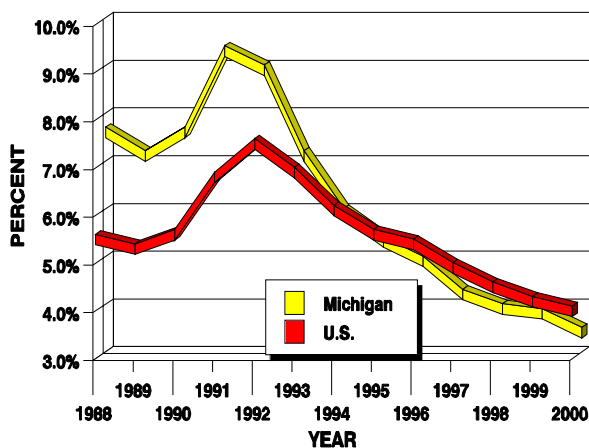


## MICHIGAN'S LABOR MARKET 1988 THROUGH 2000

	Michigan Unemployed (000's)	Michigan Unemployment Rate	U.S. Unemployment Rate
1988	345	7.6	5.5
1989	326	7.1	5.3
1990	350	7.6	5.6
1991	427	9.3	6.8
1992	417	8.9	7.5
1993	335	7.1	6.9
1994	285	5.9	6.1
1995	258	5.3	5.6
1996	239	4.9	5.4
1997	209	4.2	4.9
1998	194	3.9	4.5
1999	183	3.8	4.2
2000 est.	176	3.4	4.0

Source: United States Bureau of Labor Statistics

### Michigan & U.S. Unemployment Rates 1988 through 2000

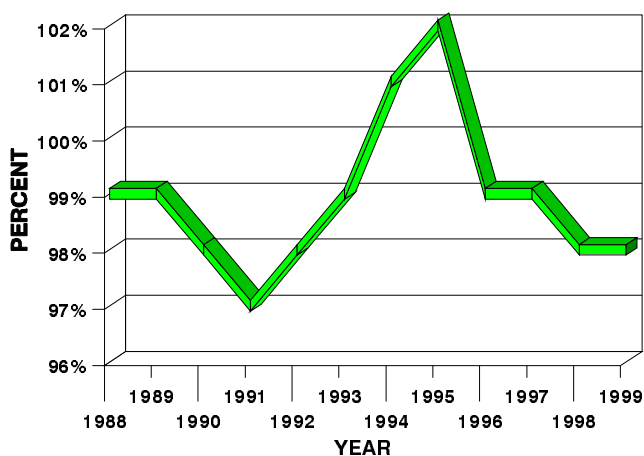


## MICHIGAN PERSONAL INCOME 1988 TO 1999

Year	Michigan Personal Income (Millions)	Percent Change	Per Capita Personal Income	
			Michigan	Michigan as a % of U.S.
1988	158,529	7.0	17,198	99
1989	169,113	6.7	18,276	98
1990	177,103	4.7	19,022	97
1991	181,495	2.5	19,318	96
1992	192,038	5.8	20,278	96
1993	203,828	6.1	21,390	98
1994	219,121	7.5	22,862	101
1995	231,594	5.7	23,975	102
1996	238,095	2.8	24,447	99
1997	250,211	5.1	25,570	99
1998	263,252	5.2	26,807	98
1999	277,296	5.3	28,113	98

*Source:* United States Department of Commerce

### Michigan Per-Capita Personal Income As a Percent of U.S. Average: 1988-1999

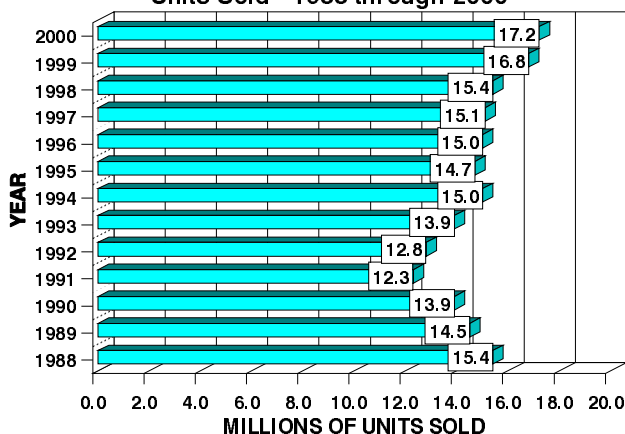


**U.S. LIGHT MOTOR VEHICLE SALES  
1988 TO 2000  
(millions of units)**

<b>Calendar Year</b>	<b>Auto Sales</b>	<b>Import Share (%)</b>	<b>Light Truck Sales</b>	<b>Total Light Vehicle Sales</b>
1988	10.5	28.5	4.9	15.4
1989	9.8	27.6	4.7	14.5
1990	9.3	25.8	4.6	13.9
1991	8.2	24.9	4.1	12.3
1992	8.2	23.6	4.6	12.8
1993	8.5	20.9	5.3	13.9
1994	9.0	19.3	6.0	15.0
1995	8.6	17.5	6.1	14.7
1996	8.5	14.9	6.5	15.0
1997	8.3	16.5	6.8	15.1
1998	8.1	16.9	7.3	15.4
1999	8.7	19.7	8.1	16.8
2000	8.9	22.8	8.4	17.2

*Source:* United States Department of Commerce

**Total Motor Vehicle Sales**  
**Units Sold - 1988 through 2000**

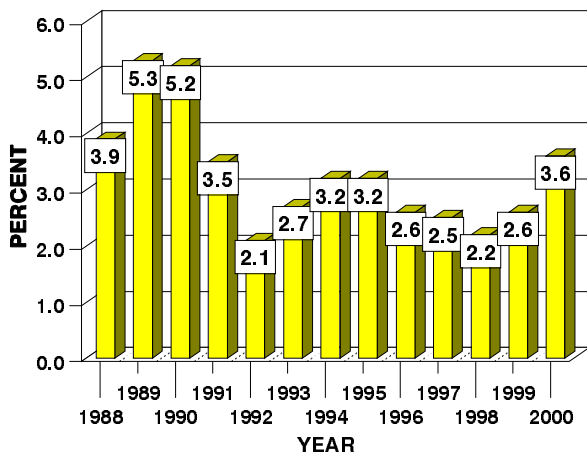


# **CONSUMER INFLATION (DETROIT CPI) 1988 THROUGH 2000**

Calendar Year	Detroit CPI	Percent Change
1988	116.1	3.9
1989	122.3	5.3
1990	128.6	5.2
1991	133.1	3.5
1992	135.9	2.1
1993	139.6	2.7
1994	144.0	3.2
1995	148.6	3.2
1996	152.5	2.6
1997	156.3	2.5
1998	159.8	2.2
1999	163.9	2.6
2000	169.8	3.6

*Source:* United States Department of Commerce

## **Consumer Inflation (Detroit CPI) 1988 through 2000**



## BUDGET DEVELOPMENT TIMEFRAME

<u>Month/Year</u>		<u>Action Taken</u>
May 2000		Dept. of Management and Budget (DMB - Executive Branch) Develop Program Policy Guidelines.
June 2000	2	Guidelines Sent to Departments to Draft Their Budgetary Requests.
September 2000	0	Departments Return Budget Requests to DMB.
October and November 2000	0	Departments meet with Governor's Budget Officials.
December 2000	0	Governor's Decisions Made.
January 2001		Governor's Recommendation Prepared for Submission to Legislature, Governor's State-of-the-State and Budget Message Prepared; Consensus Revenue Estimating Conference Meets.
February 2001	2	Budget Documents Delivered to Legislature -- Legislative Action Begins.
March-May 2001	0	Legislative Action -- Subcommittee and Committee Hearings, Floor Votes.
June 2001	1	Consensus Revenue Estimating Conference Meets; Budget Targets are Set; Conference Committees Meet.
July-August 2001		Governor Signs (or Vetoes) Bills -May Include Line-item Vetoes.
October 1, 2001		Fiscal Year 2001-02 Begins.
Oct. 1, 2001 - Sept. 30, 2002	2	Possible Supplementals & Transfers.
Sept. 30, 2002	0	
	2	Fiscal Year 2001-02 Ends.
January 2003	2003	Preliminary Book Closings - FY 2001-02.
March 2003		Final Book Closings - FY 2001-02.



## SAMPLE APPROPRIATION UNIT FOR A PROGRAM BUDGET

### DEPARTMENT OF CAREER DEVELOPMENT

#### 1 WORKFORCE DEVELOPMENT

2 Full-time equated classified positions . . . . . 35.0

3 Administration-30.0 FTE positions . . . . . \$2,192,900

4 Employment training services-5.0 FTE positions . . . 22,285,400

5 Grants . . . . . 21,209,800

6 Michigan career and technical institute . . . . . 1,000,000

7 GROSS APPROPRIATION . . . . . \$46,688,100

8 Appropriated from:

9 Interdepartmental grant revenues:

10 IDG from civil service . . . . . 1,000,000

11 ADJUSTED GROSS APPROPRIATION . . . . . \$45,688,100

12 Federal revenues:

13 DOL-job training partnership act . . . . . 1,735,000

14 Special revenue funds:

15 Private-foundation revenue . . . . . 200,000

16 Second injury fund . . . . . 100,000

17 State general fund/general purpose . . . . . \$43,653,100

Title of appropriation unit

Total number of classified positions in unit

Name of program

Number of positions funded in this program

Funding for program

Total funding for all programs = Lines 3 + 4 + 5 + 6

Grant from Department of Civil Service

Line 7 minus line 10

List of all funding sources for the unit =  
Lines 13 + 15 + 16 + 17 = Line 11,  
ADJUSTED GROSS APPROPRIATION

## SAMPLE APPROPRIATION UNIT FOR A LINE-ITEM BUDGET

### DEPARTMENT OF STATE POLICE

DEPARTMENT OF STATE POLICE			Title of appropriation unit
1	UNIFORM SERVICES		← Total number of classified positions in unit
2	Full-time equated classified positions . . . . .	1,614.0	
3	Salaries and wages - 1,614.0 . . . . .	\$54,953,300	← Salaries for all positions in unit
4	Longevity and insurance . . . . .	8,636,200	
5	Retirement . . . . .	277,900	← Fringe benefits for all positions in unit
6	State police pension fund . . . . .	12,958,700	
7	Travel . . . . .	447,100	← Travel dollars for all programs in unit
8	Equipment . . . . .	201,900	
9	Contractual services, supplies, and materials . . . . .	4,520,300	← Equipment dollars for all programs in unit
10	Purchase firearms and training . . . . .	183,600	
11	GROSS APPROPRIATION . . . . .	\$82,179,000	← Dollars for outside contracted services
12	Appropriated from:		
13	Federal revenues:		← Dollars for a specific contractual purchase
14	DOT-NHTSA, community highway safety . . . . .	246,700	
15	DOE-drug education funds . . . . .	185,100	
16	Special revenue funds:		
17	Local and private D.A.R.E. funds . . . . .	67,000	← Total funding for all programs = Lines 3 + 4 + 5 + 6 + 7 + 8 + 9 + 10
18	Highway safety fund . . . . .	6,000,000	
19	State general fund/general purpose . . . . .	\$75,680,200	← List of all funding sources for the unit = Lines 14 + 15 + 17 + 18 + 19 = Line 11, GROSS APPROPRIATION

# **GLOSSARY OF GOVERNMENTAL BUDGETING AND ACCOUNTING TERMS AND DEFINITIONS**

## **I. TERMS**

### **GENERAL FUND**

By statute the State General Fund covers all State appropriation, expenditure and receipt transactions, except those for which special constitutional or statutory requirements demand separate fund accounting. Most of the traditional State services are included in the General Fund.

The accounts of the General Fund reflect the major share of the State's fiscal transactions. It is the predominant element in the annual budget review and enactment from the viewpoints of both appropriations and taxes. This is evidenced by the frequent identification of the "General" Fund with the State of Michigan as a whole.

The General Fund is financed by what are defined as general purpose and restricted revenues. General purposes are self-explanatory. Restricted revenues are those resources that, by Constitution, statute, contract or agreement, are reserved to specific purposes, and expenditures that are limited by the amount of revenue realized.

### **SPECIAL REVENUE FUNDS**

These are funds used to finance particular activities from the receipts of specific taxes or other revenue.

Such a fund is created by constitution or statute to provide certain activities with definite and continuing revenues. After the fund is created, it usually continues year after year until discontinued or revised by equivalent authority. Accounting transactions are treated the same as they are in the General Fund.

### REVOLVING FUNDS

Revolving funds are those employed to finance industrial, commercial, and service activities of the State, the expenses of which are to be met by operating income; or to finance supply inventories for State institutions.

Three distinct types of enterprises are financed through revolving funds; the most important from the standpoint of volume of transactions consist of those of a public service character. These serve the general public, and their income is derived principally from sales of products or services. The Liquor Purchase Revolving Fund is an example of this type. Another class consists of those that serve State agencies. The Motor Transport Revolving Fund and Paper and Stationery Revolving Fund are examples of this type. The third is the Inventory Revolving Fund.

### BOND FUNDS

Bond funds are used to account for the receipt and disposition of the proceeds of all bonds issued. A separate Bond Fund must be provided for each bond issue, and each such fund must have its own self-balancing set of accounts.

The manner and degree in which the bond proceeds are allocated to specific expenditure purposes will vary depending on the original authorization and related statutory implementation.

### BOND AND INTEREST REDEMPTION FUNDS

Such a fund is established to account for the financing and payment of matured serial bonds and interest of a specific bond issue. It serves principally as a receiving and disbursing device.

Financing is provided by other State funds or designated sources.

The cash in this fund is segregated from other State cash and can be used only for payment of interest coupons or redemption of matured bonds.

## TRUST AND AGENCY FUNDS

Trust funds consist of assets received and held by the State in a capacity similar to that of a trustee. Agency funds consist of money received by the State as agent for other governmental units.

Most of the trust funds are of the expendable type, i.e., the total resources are available for expenditure in accordance with the provisions of the trust or other restrictions.

Most trust and agency funds have receipts and make expenditures and it is necessary to set up accounts to show the kind of receipts and the nature of expenditures. At the end of a fiscal period, the receipts and expenditures are closed out and the difference is used to increase or decrease the fund balance.

All receipts and expenditures of trust and agency funds are of a nonoperating nature.

## FUNDS AND APPROPRIATIONS

The terms "fund" and "appropriation" are often confused.

A fund represents a distinct phase of the activities of government and the fund is controlled by a self-balancing group of accounts in which all of the financial transactions of the particular phase are recorded. For instance, the State General Fund is established to account for the general activities of State government.

The appropriations that make up the State budget can be measured at several different levels. Gross appropriations include all sources of appropriations.

Adjusted gross appropriations are defined as gross appropriations less interdepartmental grants received. State spending from State resources appropriations equal adjusted gross appropriations less Federal, private, and local funds. General Fund/General Purpose appropriations are State spending from State resources appropriations less State restricted funds.

## **II. DEFINITIONS**

### **ACCOUNTING PERIOD**

A period at the end of which and for which financial statements are prepared.

### **ACCOUNTING PROCEDURE**

A group of closely related clerical operations that comprise a subjunction of a system.

### **ACCOUNTING SYSTEM**

Records and procedures, both formal and informal, that relate to the assembling, recording and reporting of information related to the financial operations, and that also provide necessary internal controls.

### **ACCOUNTS PAYABLE**

Amounts owed to others for goods and services received and assets acquired.

### **ACCOUNTS RECEIVABLE**

Amounts due from others for goods furnished and services rendered. Such amounts include reimbursements earned and refunds receivable.

### **ACCRUAL BASIS OF ACCOUNTING**

The basis of accounting under which revenues are recorded when earned and expenditures are recorded when goods are received and services performed even though the receipt of the revenue or the payment of the expenditure may take place, in whole or part, in another accounting period.

### **ALLOTMENT**

A portion of an appropriation set aside for use during a certain period or for a particular purpose.

### **APPROPRIATION**

An authorization granted by the Constitution or the Legislature to make expenditures and to incur obligations for a specific purpose. An appropriation is usually limited in amount and as to the time when it may be spent, normally calendar or fiscal year. In the case of Michigan, the time is October 1 to September 30.

### ASSETS

Any item of economic value owned by a governmental unit. The item may be physical in nature (tangible) or a right to ownership (intangible) that is expressed in terms of cost or some other value.

### AUDIT

The examination of some or all of the following items: documents, records, reports, systems of internal control, accounting procedures, and other evidence, for one or more of the following purposes: (a) determining the propriety, legality, and mathematical accuracy of proposed or consummated transactions; (b) ascertaining whether all transactions have been recorded; and (c) determining whether transactions are accurately reflected in the accounts and in the statements drawn from them in accordance with accepted accounting principles.

### BALANCED BUDGET

A budget in which receipts are equal to or greater than outlays.

### BOILERPLATE

A language section of any appropriation bill that provides for legislative intent or further legal clarification of the line-item appropriation.

### BUDGET

A plan of financial operation embodying an estimate of proposed expenditures for a given period or purpose and the proposed means of financing them.

### CAPITAL OUTLAY

Expenditures that result in the acquisition of or additions to fixed assets, i.e., land acquisition, building and construction, addition, renovation.

### CARRY FORWARD

A portion or total of the unspent balance of an appropriation that is made available for expenditure in the succeeding year.

### CASH BASIS OF ACCOUNTING

The basis of accounting whereby revenues are recorded when received in cash and expenditures (outlays) are recorded when paid, without regard to the accounting period to which the transactions apply.

### DEFICIT

The excess of the liabilities and reserves of a fund over its assets.

### ENCUMBRANCES

An amount of the available balance of an allotment earmarked for paying anticipated or known obligations.

### FISCAL YEAR

Any yearly accounting period. The State's fiscal year begins on October 1 and ends on the following September 30.

### FISCAL YEAR EQUATED STUDENT (FYES)

This represents 31 semester credit hours per year or 46.5 quarter term hours per year.

### FULL FAITH AND CREDIT DEBT

State and local debt for which the credit of the government, implying the power of taxation, is unconditionally pledged.

### FULL TIME EQUATED (F.T.E.)

This represents 2,080 hours of employee compensated time (2,088 in a leap year), including all annual leave and used sick leave.

### GRANT

In governmental terminology a grant is defined as a contribution to or from a unit of government for specific or general purposes. This may take the form of donations, bequests, payments to or for local units, aid, reimbursements, etc. According to the Constitution of the State of Michigan, grants must be passed by a 2/3 vote in the Senate and House.



### GRANTS-IN-AID

Payments made by one unit of government to another unit of government for specified purposes. They represent Federal support for a State or locally administered program, or State support for a local program.

### LAPSE

As applied to appropriations, this term denotes the termination of all or part of the balance of an appropriation. An appropriation is usually made for the period of a fiscal year, at the end of which the balance is lapsed, subject to constitutional and/or statutory directives.

### LIABILITIES

Amounts owed for items received, services rendered, expenses incurred, assets acquired, construction performed (regardless of whether invoices have been received), and amounts received but as yet unearned. Included are amounts owed for goods in the hands of contractors under the constructive delivery concept (when the records of the agency provide such information), and amounts owed under grants, pensions, awards, and other indebtedness not involving the furnishing of goods and services. The two classifications occurring most frequently are the following:

#### CURRENT LIABILITIES

Liabilities that will be due within a short time (usually one year or less) and that are to be paid out of current assets.

Includes all amounts owed on the basis of invoices or other evidence of receipt of goods and services, other amounts owed for the purchase of goods and services even if not "due and payable", and deferred income (received but earned).

#### LONG-TERM AND UNFUNDED LIABILITIES

Liabilities that will not be due for a comparatively long time (usually more than one year). However, as they come within the one-year range, and are to be paid, such liabilities become current.

Includes bonded debt, notes payable, and liabilities that will not become obligations until a later time (e.g., accrued annual leave in the case of appropriation accounts).

### OVER EXPENDITURES

An over expenditure occurs when actual expenditures of a State agency or program exceed the level authorized by the Legislature. This exceeding of an authorization can occur on the total appropriation authorization, or when one or more earmarked fund sources contained in an appropriation line item exceed the level authorized.

### REFUND

An amount paid back or credit allowed because of an over collection or on account of the return of an item purchased, or an overpayment.

### REFUNDABLE TAX CREDITS

Certain tax credits are refundable to the taxpayer. The tax credit is first to be applied against tax liability. If the excess is treated as an overpayment of taxes and the amount of the credit is greater than the tax liability, the excess refunded to the taxpayer. An example is the Homestead ("circuit-breaker") Property Tax Credit provided by Public Act 20 of 1973, as amended.

### RESERVES

While the State operates on the principle that unspent appropriation balances are canceled at the end of the fiscal year, constitutional and statutory provisions create a number of deviations from this general rule. These exceptions include appropriations for capital additions, repair, and alternations; special projects; and purchase orders on which the State is obligated, but on which delivery has not been made at September 30. In addition, included are amounts received from certain revenue sources that by law may be used only for specified purposes.

### RESTRICTED REVENUE

That income of a fund that by law is earmarked (appropriated) to finance some specific activity or group of related activities.

## REVENUE

The income attributable to a designated fiscal accounting period that will affect the balance (surplus) or deficit resulting from the operations of that period. Certain items earned during that period are also considered revenue of that period even though the cash is not received until a subsequent period.

## SECURITIES

Bonds, notes, mortgages, or other forms of negotiable or nonnegotiable instruments.

## SHORT-TERM DEBT

Interest-bearing debt payable within one year from date of issue, such as bond anticipation notes, bank loans, and tax anticipation notes and warrants. It includes obligations having no fixed maturity date if payable from a tax levied for collection in the year of their issuance.

## STATE SPENDING FROM STATE RESOURCES

A term used to define a level of State appropriations pursuant to Article IX, Section 30 of the Constitution of the State of Michigan. State spending from State resources equals adjusted gross appropriations less Federal, local, and private funding sources.

## SUPPLEMENTAL APPROPRIATION

An act appropriating funds in addition to those in an annual appropriation act. Supplemental appropriations provide additional budget authority beyond the original estimates for programs or activities (including new programs authorized after the date of the original appropriation act) in cases where the need for funds is too urgent to be postponed until enactment of the next regular appropriation bill.

## SURPLUS

The excess of the assets of a fund over its liabilities and necessary reserves. While the liabilities represent amounts owed or payable or in process of payment, the reserves are segments set aside for special use, due to constitutional or statutory provisions, or contracts and agreements with other governmental units or private grantors.

### TAX CREDITS

Tax credits include any special provision of law that results in a dollar-for-dollar reduction in tax liabilities that would otherwise be due. In some cases, tax credits may be carried forward or backward from one tax year to another, while other tax credits lapse if not used in the year earned. Tax credits may result in a reduction of tax collections or an increase in the value of tax refunds.

### TAX EXPENDITURES

Revenue losses attributable to provisions of the tax laws that allow a special exclusion, or deduction from gross income, or that provide a special credit, preferential tax rate, or deferral of tax liability.

### TAXES

Sums imposed by a government authority upon persons or property to pay for government services.

The power to impose and collect taxes is given to the Legislature in Article 9, Section 1 of the State Constitution of 1963.

### TOTAL DEBT

All long-term obligations of the government and its agencies (whether backed by the unit of government's full faith and credit or non-guaranteed) and all interest-bearing short-term credit obligations. Long-term obligations are those repayable more than one year after issue.

### TRANSFER BETWEEN APPROPRIATION ACCOUNTS

A transaction that, pursuant to law, withdraws budget authority or balances from one appropriation account for credit to another. Transfers that result in significant changes in appropriation policy are referred to as legislative transfers. These legislative transfers require the approval of the House and Senate Appropriations Committees to be effective. Transfers that occur as a result of cost and price variances are referred to as administrative transfers. These transfers take effect unless they are disapproved by either the House or Senate Appropriations Committee.

UNALLOTTED BALANCE OF APPROPRIATION

An appropriation balance available for allotment.

UNENCUMBERED BALANCE OF ALLOTMENT

That portion of an allotment not yet spent or encumbered; the balance remaining after deducting from the allotment the accumulated expenditures and outstanding encumbrances.

WORK ORDER ACCOUNT

An account established by, or from, an appropriation for a project for the construction, alteration, addition, or major repair, of a building or structure, including site.

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Capital Outlay .....	Michael Hansen
Career Dev. & Strategic Fund .....	Maria Tyszkiewicz
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Civil Service .....	Jessica Runnels
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- Families, Mental Health and Human Services
- Judiciary
- Senior Citizens and Veterans Affairs

### Liz Arasim

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- Farming, Agribusiness and Food Systems
- Financial Services
- Gaming and Casino Oversight
- Transportation and Tourism

### Nobuko Nagata

- Banking and Financial Institutions
- Hunting, Fishing and Forestry
- Local, Urban and State Affairs
- Natural Resources and Environmental Affairs

### George Towne

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- Government Operations
- Health Policy
- Human Resources and Labor
- Technology and Energy

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Human Services & Education . . . . .	Lynda Davis/Pam Yeomans



## NOTES

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